

Introduced by Senator Chesbro

February 8, 2001

An act to amend Section 214.02 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 198, as introduced, Chesbro. Property taxation: welfare exemption: nature resources and open-space lands.

Existing property tax law provides, as specified, for a welfare exemption under which property used exclusively for religious, hospital, scientific, or charitable purposes and owned and operated by funds, foundations, or corporations meeting statutory requirements is exempt from taxation. Existing law also provides with specified exceptions, that property used exclusively for the preservation of specified nature resources or open-space lands and meeting other specified criteria, shall be deemed to be included within the welfare exemption. It further provides that the this inclusion is operative to and including the lien date in 2002, and is of no further force or effect thereafter.

This bill would extend the foregoing limitation on the inclusion of property, within the welfare exemption to and including the lien date in 2012.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state



shall not reimburse local agencies for property tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 214.02 of the Revenue and Taxation
2 Code is amended to read:

3 214.02. (a) Except as provided in subdivision (b) or (c),
4 property that is used exclusively for the preservation of native
5 plants or animals, biotic communities, geological or geographical
6 formations of scientific or educational interest, or open-space
7 lands used solely for recreation and for the enjoyment of scenic
8 beauty, is open to the general public subject to reasonable
9 restrictions concerning the needs of the land, and is owned and
10 operated by a scientific or charitable fund, foundation or
11 corporation, the primary interest of which is to preserve those
12 natural areas, and that meets all the requirements of Section 214,
13 shall be deemed to be within the exemption provided for in
14 subdivision (b) of Sections 4 and 5 of Article XIII of the
15 Constitution of the State of California and Section 214.

16 (b) The exemption provided by this section shall not apply to
17 any property of an organization that owns in the aggregate 30,000
18 acres or more in one county that were exempt under this section
19 prior to March 1, 1983, or that are proposed to be exempt, unless
20 the nonprofit organization that holds the property is constituted in
21 such a way as to be fully independent of the owner of any taxable
22 real property that is adjacent to the property otherwise qualifying
23 for tax exemption under this section. For purposes of this section,
24 the nonprofit organization that holds the property shall be
25 considered fully independent if the exempt property is not used or
26 operated by that organization or by any other person so as to
27 benefit any officer, trustee, director, shareholder, member,
28 employee, contributor or bondholder of the exempt organization
29 or operator, or the owner of any adjacent property, or any other
30 person, through the distribution of profits, payment of excessive
31 charges or compensations, or the more advantageous pursuit of
32 their business or profession.



1 (c) The exemption provided by this section shall not apply to
2 property that is reserved for future development.

3 (d) This section shall be operative from the lien date in 1983 to
4 and including the lien date in ~~2002~~ 2012, after which date this
5 section shall become inoperative, and as of January 1, ~~2003~~ 2013,
6 this section is repealed.

7 SEC. 2. Notwithstanding Section 2229 of the Revenue and
8 Taxation Code, no appropriation is made by this act and the state
9 shall not reimburse any local agency for any property tax revenues
10 lost by it pursuant to this act.

11 SEC. 3. This act provides for a tax levy within the meaning of
12 Article IV of the Constitution and shall go into immediate effect.

